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TWO MORE GUILTY PLEAS IN CONNECTION WITH ONGOING TOMATO-INDUSTRY PROBE

SK Foods Manager Pleads Guilty to Mislabeling and Shipping Tomato Paste with High Mold Levels at the Direction of Senior Company Leadership

SACRAMENTO, Calif.—Acting United States Attorney Lawrence G. Brown announced today that JENNIFER LOU DAHLMAN, 48, of Lemoore, Calif., and JAMES RICHARD WAHL JR., 58, of Dallas, Texas, pleaded guilty this morning before United States District Judge Lawrence K. Karlton in connection with an ongoing federal investigation into various illicit activities in the tomato processing industry. DAHLMAN pleaded guilty to causing the introduction of adulterated and misbranded food into interstate commerce, with intent to defraud, while WAHL pleaded guilty to two counts of honest services mail fraud. Both DAHLMAN and WAHL have agreed to cooperate in the government's continuing investigation.

These cases are the product of a joint investigation by the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigation, and the United States Department of Justice's Antitrust Division.

According to Assistant United States Attorneys Benjamin B. Wagner, Sean C. Flynn, and Anne E. Pings, who are prosecuting the case together with Barbara Nelson and Richard Cohen of the San Francisco Field Office of the Antitrust Division, for the past 15 years DAHLMAN has worked in a variety of capacities for SK Foods L.P., a California-based grower and processor of tomato products and other food products for sale to food product manufacturers, food service distributors and marketers, and retail outlets nationwide. Working out of the company's Lemoore facility, DAHLMAN most recently served as a Records and Business Analyst, helping oversee SK Foods inventory and shipment of tomato paste and other food products to its customers across the United States. In court documents filed today, DAHLMAN admitted, over a period of years, to knowingly and routinely causing the shipment to SK Foods' customers of processed tomato products that were adulterated and unsaleable domestically due to their excessive mold content. DAHLMAN also often caused the shipment of product that violated one or more additional content specifications that customers negotiated for in their contracts with SK Foods.

Furthermore, DAHLMAN routinely falsified the various grading factors and results of required laboratory testing contained on "Certificates of Analysis" and other quality control documents that accompanied customer-bound shipments of tomato product so that they reflected mold-count levels as being in compliance with the applicable U.S. Food and Drug Administration "Food Defect Action Level" when, in fact, the mold count levels were significantly above the federal threshold. DAHLMAN admitted that her actions were conducted at the express instruction and direction of senior leaders and Directors of SK Foods, and were

intended to defraud SK Foods' customers by making it appear as if tomato products were compliant with USDA and FDA standards, and with customer specifications, when they were not.

Mold is a natural byproduct of tomato products, but the federal government sets limits on the amount of mold that may be present in domestically sold tomato paste. The product shipped by SK Foods did not constitute a health hazard, and the government's ongoing investigation has not uncovered any wrongdoing on the part of SK Foods' unwitting customers.

"Given recent headlines pertaining to tainted foods, it bears emphasis that the tomato products in this case did not pose a health hazard to the consumer. Ms. Dahlman's actions are most notable for the fraud she perpetrated and the resulting unfair advantage her employer obtained against law-abiding businesses," said Acting U.S. Attorney Brown.

JAMES WAHL, formerly Senior Group Manager for Ingredients Purchasing for Texas-based Frito-Lay Inc., also pleaded guilty this morning before Judge Karlton. WAHL admitted he received \$160,000 in personal bribe payments between 1998 and 2008 from SK Foods' sales broker and Director Randall Lee Rahal. Rahal pleaded guilty to participating in racketeering, price fixing, bid rigging, and contract allocation conspiracies, among other charges, in U.S. District Court in Sacramento on December 16, 2008. WAHL admitted he deprived Frito-Lay of its right to his honest services by steering contracts for processed tomato and other food products to SK Foods rather than industry competitors in return for the bribes. WAHL also provided SK Foods with proprietary and other information that allowed SK Foods to charge Frito-Lay inflated prices for certain food products.

Sentencing for both defendants is scheduled for April 28, 2009. The maximum statutory penalty on the honest services mail fraud charges against WAHL is 20 years in prison, while the charge of introducing adulterated and misbranded food into interstate commerce against DAHLMAN carries a three-year maximum sentence. The actual sentence for each defendant, however, will be determined at the discretion of the court, after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

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